

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 6th day of
September, 2007.

In the Matter of Missouri-American)
Water Company's Request for Authority)
to Implement a General Rate Increase)
for Water Service Provided in Missouri)
Service Areas)

Case No. WR-2007-0216, et al.

**ORDER APPROVING NON-UNANIMOUS STIPULATION AND
AGREEMENT AS TO JEFFERSON CITY ISSUES**

Issue Date: September 6, 2007

Effective Date: September 16, 2007

On December 15, 2006, Missouri-American Water Company (MAWC) filed proposed tariff sheets seeking a general rate increase for water and sewer service provided to customers in its Missouri service areas. On January 3, 2007,¹ the Commission issued an order suspending the proposed water and sewer tariff sheets for 120 days plus six months from the original proposed effective date, that is, until November 14.

The evidentiary hearing in this matter concluded on August 14. On August 23, prior to the Commission issuing its final decision concerning MAWC's proposed rate increase, MAWC, the City of Jefferson ("Jefferson City"), the Staff of the Missouri Public Service Commission ("Staff"), and the Office of the Public Counsel ("OPC") jointly filed a pleading entitled: "Stipulation and Agreement as to Jefferson City Issues" ("Agreement"). The Agreement purports to resolve issues separate from the determination of MAWC's rates

¹ All dates following the date of the suspension order reference the year 2007 unless otherwise noted.

that exist between Jefferson City and MAWC. These issues concern fire suppression and certain infrastructure improvements; specifically, back-up power generation, water storage and small main replacement.

The Agreement is non-unanimous in that the remaining parties to this action are not signatories to the Agreement, and as such, it is governed by Commission Rule 4 CSR 240-2.115(2). That rule provides that non-signatory parties have seven days from the filing of a non-unanimous stipulation and agreement to file objections.² Failure to timely file such an objection constitutes a full waiver of that party's right to a hearing on the agreement.³ If no party timely objects to a non-unanimous stipulation and agreement, the Commission may treat the agreement as being a unanimous stipulation and agreement.⁴

Because no party objected, the Agreement became unanimous by operation of Commission Rule on August 31.⁵ The Agreement provides for installation of a back-up generator, the specifications of which are attached to the Agreement as Appendix A. Configuration specifications and performance and load testing are also delineated in the Agreement, as well as a target date for the generator's installation, which is December 21.

The Agreement also provides for the mutual exchange of any study results undertaken by the parties within the past three years regarding forecasted consumer loads in Jefferson City, the condition or improvement to MAWC's storage or treatment capacity, or the condition of major transmission mains. The Agreement requires the creation of a

² Commission Rule 4 CSR 240-2.115(2)(B).

³ Commission Rule 4 CSR 240-2.115(2)(B).

⁴ Commission Rule 4 CSR 240-2.115(2)(C).

⁵ Commission Rule 4 CSR 240-2.115(2)(C).

task force with representatives from each party to the Agreement to review all studies described above and engage in further studies related to MAWC's existing storage, treatment, transmission and pumping facilities. The task force, or each party, is required to prepare a final report summarizing activities of the task force and any identified improvement options.

The Agreement states: "As a result of this Stipulation, no changes shall need to be made to the Nonunanimous Stipulation and Agreement filed previously in this case on August 9, 2007." The Agreement has no affect on the Commission's determination concerning MAWC's rate increase request or the signatories' positions concerning the determination on MAWC's rate. Should the Commission accept the specific terms of the Agreement, the signatories represent that each shall waive their respective rights to present oral argument and written briefs pursuant to Section 536.080.1, RSMo 2000;⁶ their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2; their respective rights to seek rehearing pursuant to Section 536.500; and their respective rights to judicial review pursuant to Section 386.510..

After reviewing the Agreement, the Commission finds that the stipulation and agreement filed on August 23 should be approved as a resolution of the issues addressed by that stipulation and agreement. In approving this stipulation and agreement, the Commission is only accepting the agreement of the parties to resolve these particular issues in this particular case. The Commission is not endorsing any particular position with regard to these issues and its approval of this stipulation and agreement should not be interpreted as an endorsement in any future case.

⁶ All statutory references are to RSMO 2000 unless otherwise noted.

IT IS ORDERED THAT:

1. The Stipulation and Agreement as to Jefferson City Issues filed on August 23, 2007, is approved as a resolution of the issues addressed in that stipulation and agreement. A copy of the stipulation and agreement is attached to this order as Exhibit A.
2. The signatory parties are ordered to comply with the terms of the Stipulation and Agreement as to Jefferson City Issues.
3. This order shall become effective on September 16, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton
and Appling, CC., concur.

Stearley, Regulatory Law Judge